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Via e-mail mcondray@lsc.gov

Ms. Mattie C. Condray
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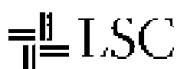
RE: Notice of Proposed Rulemaking 45 CFR Part 1611

Dear Ms. Condray,

I am writing on behalf of our frontline staff to comment on the proposed financial eligibility regulations. Land of Lincoln provides legal services in 65 counties in central and southern Illinois through eight branch offices and a centralized telephone intake, advice and referral system. Our comments are based on our experiences in the field and in administering a high volume telephone intake system.

On the whole, we support the proposed regulations because they streamline the eligibility process and will contribute to more efficient client service. The amount of time that intake and case handler staff must spend on paper work has increased exponentially in the last several years. The paper work burden is bad for staff morale, and, in most cases, does not contribute to better client service. We believe that the proposed changes to the financial regulations strike a balance between the need to document financial eligibility and the need to reduce unnecessary paper work. We specifically want to address three main areas:

1. Retainer Agreements. We strongly support elimination of the retainer agreement requirement currently found at section 1611.8 of the regulation. While it may be appropriate in some cases to spell out the scope of representation, it should not be required in most cases, as it is now. Because retainer agreements are not required by statute and are burdensome in many cases, it makes sense to eliminate this requirement. This is particularly true considering the high volume of cases that are resolved with advice and/or brief service. Decisions about the use of retainer



agreements should be determined by a program's Board, management and staff, in light of the applicable state rules of professional conduct.

2. Gross versus Net Income. "Before taxes" should be deleted from the definition of income at section 1611.2(f). Income should be defined as "...total cash receipts **after deduction of taxes, Social Security, Medicare, and medical insurance premiums...**" These deductions are automatically made from an applicant's income and are not available for the applicant's use. In addition, we have found from our telephone intake system that most applicants for service can readily state what they "take home", i.e. net income, but they rarely know what their gross income is off the top of their head. Determining gross income frequently requires staff to make calculations based on the applicant's hourly rate or the client has to call back after locating his or her most recent check stub. This is unduly burdensome, particularly since the proposed regulations would allow the same deductions by including current taxes as an allowable special expense deduction as a fixed debt or obligation and medical insurance premiums as an unreimbursed medical expense.
3. Group Eligibility. We strongly support the proposed regulations' expansion of group eligibility. Permitting representation of those groups who have as their principal function or activity the delivery of services to the poor or the furtherance of the interests of the poor, when the representation sought relates to such function or activity, allows field programs to be flexible and creative resources in the struggle to reduce if not eliminate poverty. We must conserve our scarce legal resources by focusing them on those projects that are effective. Permitting representation of groups that lack financial resources to obtain alternative counsel permits field programs to provide services to those groups that share LSC's mandate of reducing poverty.

The position of the OIG that would require independent, documented verification of the financial eligibility of every member of the group is not workable. Membership in a civic association does not normally make all of one's personal assets available to all the goals of that association, nor is such membership generally thought to open all of one's private records to inspection. Corporate entities are recognized as persons under the law, and that recognition should extend to those organizations composed primarily of poor people and those who seek to advance their interests. While members of such organizations are usually willing to provide general information as to their household size and income, attempts to obtain detailed documentation is insulting and unnecessarily intrusive.

Thank you for your consideration of these comments.

Sincerely,

Linda Zazove
Deputy Director